(a) whether Government have received complaints regarding theft of cheques from ATM drop boxes and encashing them;

(b) if so, the details thereof;

(c) whether any investigation has been made into it and if so, the results thereof;

(d) the action taken against those who have been found guilty;

(e) whether Government have formulated any plan to prevent recurrence of such incidents; and

(f) if so, the details therof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (f) Reserve Bank of India (RBI) has reported two instances of thefts where cheques were stolen from drop boxes of two banks and encashed them fraudulently through some banks in Delhi. In one case, the cheques were stolen by the security guard from the drop box at Vivek Vihar Offsite ATM of IDBI Bank at Delhi. The security guard managed to collect the instruments through Indian Overseas Bank, Preet Vihar Branch through his accomplice's accounts. In another incident, Bank of Punjab has reported a case of theft of cheques from their drop box kept at the gate of their Punjabi Bagh Branch, Delhi. The culprits involved in both the cases have been arrested by the Police for investigation.

The Regional Office of RBI at Delhi has advised all banks to strengthen their security system and cautioned them to observe strict security arrangements so as to prevent such incidents in future. In order to prevent encashment of any stolen cheques through fictitious bank accounts, RBI has recently issued comprehensive guidelines relating to "Know Your Customer" norms.

Merger of Banks

1430. SHRI E.M. SUDARSANA NATCHIAPPAN:
SHRI MOOLCHAND MEENA:
DR. ALLADI P. RAJKUMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether during 2005 consolidation of banking sector is being seriously taken up;

(b) whether the first in the series will be the merger of Bank of India and Union Bank of India;

(c) whether almost all the public sector banks are talking to each other to find partners so that their respective strength could be exploited to the hilt;

(d) the details of banks which have agreed for merger and how many banks have so far merged; and

(e) to what extent it has helped the economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) to (d) Any proposal for consolidation by way of merger among public sector banks has to come from the management of the banks themselves with Govt. playing a supportive role. The Boards of Banks have to take a decision in this regard based on the synergy levels of merging/consolidating entities. Till now no concrete proposal for amalgamation/merger has been received by Govt.

(e) Consolidation would allow economies of scale in terms of footprint, manpower and other resources. Having Indian Banks of a larger size would also enable them to face competition arising from internationalization of the economy. Larger size also entails better management of risk. Small and weak banks pose systemic risks with their low capital adequacy ratio and high NPAs. Consolidation is a timely response to augment efficiency, which would lead to income generation and add to GDP of the country.

NHB Scheme for Tsunami Victims

1431. SHRIMATI AMBIKA SONI:
DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether the National Housing Bank (NHB) has announced a concessional scheme for the Tsunami victims;

(b) If so, what are the details of the financial assistance that will be provided to them;

(c) what are the conditions imposed under this scheme and whether all eligible victims will be able to get these funds; and

(d) whether all the victims can fully utilize this scheme?